

**McGUIREWOODS
BATTLE & BOOTHE**

Transpotomac Plaza
Suite 1000, 1199 North Fairfax Street
Alexandria, VA 22314-1437

The Blaustein Building
One North Charles Street
Baltimore, MD 21201-3793

8280 Greensboro Drive
Suite, 900, Tysons Corner
McLean, VA 22102-0346

World Trade Center
Suite 9000, 101 West Main Street
Norfolk, VA 23510-1655

Court Square Building
Post Office Box 1288
Charlottesville, Virginia 22902-1288

Phone: (804) 977-2500 (Voice/FDD)
Fax: (804) 980-2222

One James Center
901 East Cary Street
Richmond, VA 23219-4030

The Army and Navy Club Building
1627 Eye Street, N.W.
Washington, DC 20006-4007

250 Avenue Louise, Bte. 64
1050 Brussels, Belgium

associated office:
P.O. Box 4930
Bahnhofstrasse 3
8022 Zurich, Switzerland

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INTERSTATE COMMERCE COMMISSION

01000500.4

Kurt J. Krueger

Direct Dial: (804) 977-2521

November 18, 1993

Secretary
Interstate Commerce Commission
Washington, D.C. 20423

Dear Secretary:

I have enclosed an original and one counterpart of the document described below to be recorded pursuant to Section 11303 of Title 49 of the U.S. Code.

This document is a Mortgage, a primary document dated November 18, 1993.

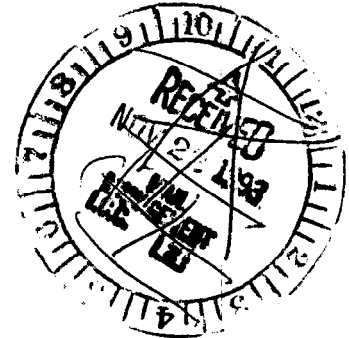
The names and addresses of the parties to the document read as follows:

Mortgagor: Virginia Central Railroad, Limited
600 East Water Street
Charlottesville, Virginia 22902

Mortgagee: Pepsi Cola Bottling Company of Central Virginia
1150 Pepsi Place
Charlottesville, Virginia 22906

A description of the equipment covered by the document follows: (a) a Diesel Locomotive AC40 (formerly WM5940); (b) a Coach AC4886 (formerly VIA4886); and (c) a Coach AC4887 (formerly VIA4887).

A fee of \$16.00 is enclosed. Please return the original and any extra copies not needed by the Commission for recordation to Kurt J. Krueger, Esquire, McGuire, Woods, Battle & Boothe, P. O. Box 1288, Charlottesville, Virginia 22902-1288.



10000500.4

Secretary
November 18, 1993
Page 2

A short summary of the document to appear in the index follows: Mortgage between Virginia Central Railroad Limited, 600 East Water Street, Charlottesville, Virginia 22902 and Pepsi Cola Bottling Company of Central Virginia, 1150 Pepsi Place, Charlottesville, Virginia 22906 dated November 18, 1993 and covering Diesel locomotive AC40 and two Coaches AC4886 and AC4887.

Sincerely,

A handwritten signature in black ink, appearing to read "Kurt J. Krueger". The signature is stylized with a large, looped "K" and a cursive "J".

Kurt J. Krueger
Attorney for Pepsi Cola Bottling
Company of Central Virginia

KJK/dba

Enclosures

Interstate Commerce Commission

Washington, D.C. 20423

11/23/93 c

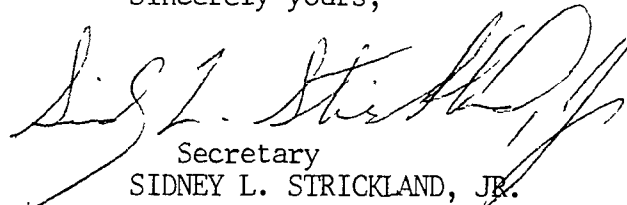
OFFICE OF THE SECRETARY

Kurt J. Krueger, Esq.
McGuire Woods Battle & Boothe
P.O.Box 1288
Charlottesville, Virginia 22902-1288

Dear Sir:

The enclosed document(s) was recorded pursuant to the provisions
of Section 11303 of the Interstate Commerce Act, 49 U.S.C. 11303,
on 11/23/93 at 10:45am, and assigned
recordation number(s). 18486

Sincerely yours,



Secretary
SIDNEY L. STRICKLAND, JR.

Enclosure(s)

MORTGAGE AND SECURITY AGREEMENT

THIS MORTGAGE AND SECURITY AGREEMENT ("Agreement") is made this 18th day of November, 1993, by and between VIRGINIA CENTRAL RAILROAD, LIMITED, a Virginia corporation ("Borrower"), and PEPSI COLA BOTTLING COMPANY OF CENTRAL VIRGINIA, a Virginia corporation ("Lender").

RECITALS

WHEREAS, Borrower has requested Lender to make a loan to Borrower in the principal amount of Ninety Thousand Dollars (\$90,000.00); and

WHEREAS, Lender is willing to make such loan to Borrower upon the terms and conditions set forth in this Agreement.

NOW, THEREFORE, in consideration of the mutual covenants contained herein, Borrower and Lender do hereby agree as follows:

1. **CONSTRUCTION AND DEFINITION OF TERMS**

All terms used herein without definition which are defined by the Virginia Uniform Commercial Code shall have the meanings assigned to them by the Virginia Uniform Commercial Code unless and to the extent varied by this Agreement. All accounting terms used herein without definition shall have the meanings assigned to them as determined by generally accepted accounting principles. Whenever the phrase "satisfactory to Lender" is used in this Agreement such phrase shall mean "satisfactory to Lender in its sole discretion." The use of any gender or the neuter herein shall also refer to the other gender or the neuter and the use of the plural shall also refer to the singular, and vice versa. In addition to the terms defined elsewhere in this Agreement, unless the context otherwise requires, when used herein, the following terms shall have the following meanings:

1.01 "Closing" shall mean the first date on which funds are advanced to Borrower hereunder.

1.02 "Collateral" shall mean the Borrower's Diesel Locomotive AC40 (formerly WM5940) Coach AC4886 (formerly VIA4886) and Coach AC4887 (formerly VIA4887), and all substitutions for, replacements of or accessions to such rolling stock and all attachments, component parts and accessories thereto and all proceeds of any of the foregoing.

1.03 "Event of Default" shall mean any of the events described in **Section 6** hereof.

1.04 "Lien" shall mean any statutory or common law consensual or non-consensual mortgage, pledge, security interest,

encumbrance, lien, right of setoff, claim or charge of any kind, including, without limitation, any conditional sale or other title retention transaction, any lease transaction in the nature thereof and any secured transaction under the Uniform Commercial Code of any jurisdiction.

1.05 "Note" shall mean a promissory note of Borrower in the form attached hereto as **Exhibit A**, and all renewals, replacements and extensions thereof.

1.06 "Obligations" shall include the full and punctual observance and performance of all present and future duties, covenants and responsibilities due to Lender by Borrower under this Agreement, the Note, and the Other Agreements.

1.07 "Other Agreements" shall mean any and all agreements, contracts, promissory notes, security agreements, assignments, subordination agreements, pledge or hypothecation agreements, mortgages, deeds of trust, leases, guaranties, instruments and documents now and hereafter existing between Lender and Borrower, executed in connection with the loan made pursuant to this Agreement, including, without limitation, the instruments and documents referred to in **Section 5** hereof.

1.08 "Permitted Liens" shall mean (a) Liens of Lender, (b) Liens for taxes not delinquent or for taxes being diligently contested in good faith by Borrower by appropriate proceedings, subject to the conditions set forth in **Subsection 6.02** hereof, (c) mechanic's, workman's, materialman's, landlord's, carrier's and other like Liens arising in the ordinary course of business with respect to obligations which are not due or which are being diligently contested in good faith by Borrower by appropriate proceedings, provided such Liens did not arise in connection with the borrowing of money or the obtaining of advances or credit and do not, in Lender's discretion, in the aggregate materially detract from the value of Borrower's assets or materially impair the use thereof, (d) Liens specifically consented to by Lender in writing, and (e) Liens, if any, specifically permitted by this Agreement or described in the Permitted Liens Exhibit attached hereto and incorporated herein.

1.09 "person" shall include natural persons, corporations, associations, partnerships, joint ventures, trusts, governments and agencies and departments thereof and every other entity of every kind.

2. THE LOAN

2.01 Loan. Lender agrees to make a loan to Borrower in the principal amount of Ninety Thousand Dollars (\$90,000.00) subject to all of the terms and conditions of this Agreement and the Other Agreements (the "Loan"). Borrower agrees that Borrower

shall be liable for, and the Collateral shall secure, the repayment of the principal amount advanced by Lender to Borrower, with interest at the rate and calculated in the manner provided herein and in the Note.

2.02 Note. Borrower's obligation to repay the Loan with interest shall be evidenced by, and the Loan shall be repaid with interest in accordance with, the Note.

2.03 Interest: Rate and Payment. Until and after maturity , all principal sums outstanding under this Agreement and/or the Note shall bear simple interest at a rate equal to eight percent (8%) per annum. Interest shall be payable annually as provided in the Note and shall be calculated on a year of 365 days based upon the actual number of days elapsed.

2.04 Prepayment. Borrower may at its option prepay the Note in whole at any time or in part from time to time without penalty or premium.

3. MORTGAGE

3.01 Grant and Assignment. As security for the payment and performance of all of the Obligations, whether or not any instrument or agreement relating to any Obligation specifically refers to this Agreement or the security interest created hereunder, Borrower hereby mortgages the Collateral to Lender and assigns, pledges and grants to Lender a continuing security interest in the Collateral. Lender's mortgage and security interest shall continually exist until (a) all Obligations have been paid in full, (b) there exists no commitment by Lender which could give rise to any Obligations and (c) all appropriate termination statements have been filed terminating the mortgage and security interest granted Lender hereunder, whether or not all Obligations shall at any time or from time to time be reduced to zero.

3.02 Covenants and Representations Concerning Collateral. With respect to all of the Collateral, Borrower covenants, warrants and represents that:

(a) No mortgage or financing statement covering any of the Collateral is on file in any public office or land or financing records, including the U.S. Interstate Commerce Commission, except for financing statements in favor of Lender and financing statements with respect to any Permitted Liens described in the Permitted Liens Exhibit and Borrower is the legal and beneficial owner of all of the Collateral, free and clear of all Liens, except for Permitted Liens.

(b) The mortgage and security interest granted Lender hereunder shall constitute a first priority Lien upon the

Collateral, except for any existing Liens described in the Permitted Liens Exhibit. Borrower will not, except in the ordinary course of business, transfer, discount, sell, grant or assign any interest in the Collateral nor, without Lender's prior written consent, permit any other Lien to be created or remain thereon except for Permitted Liens.

(c) Borrower will promptly notify Lender in writing of any litigation involving or affecting the Collateral which Borrower knows or has reason to believe is pending or threatened. Borrower will promptly pay when due all taxes and all transportation, storage, warehousing and other such charges and fees affecting or arising out of or relating to the Collateral and shall defend the Collateral, at Borrower's expense, against all claims and demands of any persons claiming any interest in the Collateral adverse to Borrower or Lender.

(d) A carbon, photographic or other reproduction of this Agreement or any financing statement signed by Borrower in connection with this Agreement shall be sufficient as a financing statement.

(e) Borrower will maintain comprehensive casualty insurance on the Collateral against such risks, in such amounts, with such loss deductible amounts and with such companies as may be satisfactory to Lender, and each such policy shall contain a clause or endorsement satisfactory to Lender naming Lender as mortgagee.

4. REPRESENTATIONS AND WARRANTIES

To induce Lender to enter into this Agreement, Borrower represents and warrants to Lender that:

4.01 Good Standing. Borrower is a corporation duly organized, legally existing and in good standing under the laws of the State of its incorporation, has the power to own its property and to carry on its business and is duly qualified to do business and is in good standing in each jurisdiction in which the character of the properties owned by it therein or in which the transaction of its business makes such qualification necessary.

4.02 Authority. Borrower has full power and authority to enter into this Agreement, to make the borrowings hereunder, to execute and deliver all documents and instruments required hereunder and to incur and perform the obligations provided for herein, all of which have been duly authorized by all necessary and proper corporate and other action, and no consent or approval of any person, including, without limitation, stockholders of Borrower and any public authority or regulatory body, which has not been obtained is required as a condition to the validity or enforceability hereof or thereof.

4.03 Binding Agreements. This Agreement has been duly and properly executed by Borrower, constitutes the valid and legally binding obligation of Borrower and is fully enforceable against Borrower in accordance with its terms, subject only to laws affecting the rights of creditors generally and application of general principles of equity.

4.04 Place of Business. Borrower's chief executive office and only place of business is presently located at Charlottesville, Virginia 22902 (the "Business Premises"). Borrower will not change such location or have or maintain any other place of business without giving Lender thirty days prior written notice.

5. CONDITIONS OF LENDING

Unless Lender shall otherwise agree, Lender shall have no obligation to advance any funds to Borrower hereunder unless there shall have been delivered to Lender, appropriately completed and duly executed (when applicable), the following, each in form and substance satisfactory to Lender:

(a) The Note.

(b) A certificate of the Secretary of Borrower substantially in the form attached hereto as **Exhibit B** unless otherwise determined by Lender.

(c) Such financing statements and financing statement searches as may be required by Lender.

(d) The opinion of Weinberg & Green, counsel to the Borrower, to the effect that (i) the Borrower is duly organized and in good standing in the Commonwealth of Virginia, (ii) this Agreement, the Note and the Other Loan Documents have been duly authorized, executed and delivered to the Lender and are the valid, binding and enforceable agreements and obligations of the Borrower and do not conflict with any statutes or regulations or the articles, bylaws or, to counsel's knowledge, other agreements to which the Borrower is a party, (iii) the filing of the financing statements required by the Lender in the UCC Division of the Virginia State Corporation Commission and in the Clerk's Office of the Circuit Court of the City of Charlottesville, Virginia result in the perfection of the Lender's security interest in the Collateral, (iv) there are no other financing statements on file in such filing offices against the Collateral, and otherwise in form and substance satisfactory to the Lender.

6. EVENTS OF DEFAULT

The occurrence of any one or more of the following events shall constitute an "Event of Default":

(a) Failure of Borrower to pay any of the Obligations, including, without limitation, any sum due Lender under this Agreement or any of the Other Agreements, when and as the same shall become due.

(b) Failure of Borrower to observe or perform any warranty, covenant, condition or agreement to be observed or performed by Borrower under this Agreement or any of the Other Agreements within ten days after the same was required to be performed or observed.

(c) Borrower shall (i) become a debtor in any case under any chapter of the United States Bankruptcy Code; (ii) merge, consolidate or dissolve; (iii) become insolvent, have an application for the appointment of a receiver filed by or against it or make an assignment for the benefit of creditors; or (iv) have a judgement entered against it or have any attachment, levy or garnishment made against it or its property.

7. RIGHTS AND REMEDIES

7.01 Rights and Remedies of Lender. Upon the occurrence of an Event of Default, Lender may institute any proceeding or proceedings to enforce the Obligations and any Liens of Lender. Additionally, Lender may exercise all rights and remedies available to Lender under the Other Agreements, the rights and remedies of a secured party under the Uniform Commercial Code and all other rights and remedies available to Lender under applicable law.

7.02 Notice of Disposition of Collateral. It is mutually agreed that commercial reasonableness and good faith require Lender to give Borrower at least ten days' prior written notice of the time and place of any public disposition of Collateral or of the time after which any private disposition or any other intended disposition is to be made.

8. MISCELLANEOUS

8.01 Modifications. No modification or waiver of any provision of this Agreement or any of the Other Agreements, and no consent by Lender to any departure by Borrower therefrom, shall in any event be effective unless the same shall be in writing, and then such waiver or consent shall be effective only in the specific instance and for the purpose for which given.

8.02 Notices. Any notice or other communication in connection with this Agreement, if by registered or certified mail, shall be deemed to have been given when received by the party to whom directed, or, if by mail but not registered or certified, when deposited in the mail, postage prepaid, provided that any such notice or communication shall be addressed to a party hereto as

provided below (or at such other address as such party shall specify in writing to the other party hereto):

(a) if to Borrower, at 600 East Water Street, Charlottesville, Virginia 22902;

(b) if to Lender, at 1150 Pepsi Place, Charlottesville, Virginia 22906.

8.03 Survival; Successors and Assigns. All covenants, agreements, representations and warranties made herein and in the Other Agreements shall survive the execution and delivery hereof and thereof, shall survive Closing and shall continue in full force and effect until all Obligations have been paid in full, there exists no commitment by Lender which could give rise to any Obligations and all appropriate termination statements have been filed terminating the security interest granted Lender hereunder. Whenever in this Agreement any of the parties hereto is referred to, such reference shall be deemed to include the successors and assigns of such party. All covenants, agreements, representations and warranties by or on behalf of Borrower which are contained in this Agreement and the Other Agreements shall inure to the benefit of Lender, its successors and assigns.

8.04 Severability. If any term, provision or condition, or any part thereof, of this Agreement or any of the Other Agreements shall for any reason be found or held invalid or unenforceable by any court or governmental agency of competent jurisdiction, such invalidity or unenforceability shall not affect the remainder of such term, provision or condition nor any other term, provision or condition, and this Agreement and the Other Agreements shall survive and be construed as if such invalid or unenforceable term, provision or condition had not been contained therein.

8.05 Applicable Law and Consent to Jurisdiction. The performance and construction of this Agreement and the Other Agreements shall be governed by the internal laws of the Commonwealth of Virginia. Borrower and Lender agree that any suit, action or proceeding instituted against Borrower or Lender with respect to any of the Obligations, the Collateral, this Agreement or any of the Other Agreements may be brought in any court of competent jurisdiction located in the City of Charlottesville, Virginia.

8.06 Merger and Integration. This Agreement and the attached Exhibits contain the entire agreement of the parties hereto with respect to the matters covered and the transactions contemplated hereby, and no other agreement, statement or promise made by any party hereto, or by any employee, officer, agent or attorney of any party hereto, which is not contained herein, shall be valid or binding.

8.07 Counterparts. This Agreement may be executed in any number of counterparts and by different parties hereto on separate counterparts, each of which, when so executed and delivered, shall be an original, but all such counterparts shall together constitute one and the same instrument.

8.08 Headings. The headings and sub-headings contained in the titling of this Agreement are intended to be used for convenience only and shall not be used or deemed to limit or diminish any of the provisions hereof.

8.09 Recitals. The Recitals hereto are hereby incorporated into and made a part of this Agreement.

IN WITNESS WHEREOF, the parties hereto have executed or caused to be executed this Agreement under seal as of the date first above written.

ATTEST/WITNESS:

VIRGINIA CENTRAL RAILROAD, LIMITED

Luc M. Surkin

By:

Sally S. Kammauff (SEAL)
Sally S. Kammauff
President

BORROWER



PEPSI COLA BOTTLING COMPANY
OF CENTRAL VIRGINIA

Luc M. Surkin

By:

James L. Jessup, Jr. (SEAL)
James L. Jessup, Jr.
President

LENDER

ACKNOWLEDGEMENT

COMMONWEALTH OF VIRGINIA

CITY OF CHARLOTTESVILLE, ss:

On this 18th day of November, 1993, before me personally appeared Sally S. Kammauff, to me personally known, who being by me duly sworn, says that she is the President of Virginia Central Railroad Limited, the seal affixed to the foregoing instrument is the corporate seal of said corporation, that said instrument was signed and sealed on behalf of said corporation by authority of its Board of Directors, and she acknowledged that the execution of the foregoing instrument was the free act and deed of said corporation.

Robert B. Avery (SEAL)

My commission expires on November 30, 1995

CERTIFICATE BY NOTARY PUBLIC

COMMONWEALTH OF VIRGINIA

CITY OF CHARLOTTESVILLE, ss:

On this ____ day of November, 1993, I hereby certify that I have compared the attached copy of the Mortgage and Security Agreement by and between Virginia Central Railroad Limited and Pepsi Cola Bottling Company of Central Virginia with the original copy of such Mortgage and Security Agreement, and I have found the copy to be complete and identical in all respects to the original document.

Robert B. Avery (SEAL)

My commission expires on November 30, 1995

PERMITTED LIENS EXHIBIT

NONE